



# *Funds Reservation Overview*

## *Funds Reservation Training*

# ***Commitment Accounting vs. Funds Reservation***



- ◆ **Why do we need Commitment Accounting or Funds Reservation?**
  - **Improved tracking of spending against Budget Operating Plans**
  - **Provides the ability to monitor commitments or reservations in the CBS Reports and in the NOAA Data Warehouse earlier than at the obligation (award) stage**

# ***Commitment Accounting vs. Funds Reservation***



## ✦ What's the difference between Commitment Accounting and Funds Reservation

### ➤ **Commitment Accounting**

- » Posts a transaction to record the commitment in the CFS General Ledger upon entry and approval of the requisition in CFS
- » Validates the ACCS and subtracts the commitment amount from the Funds Balance table at the point of entry

### ➤ **Funds Reservation**

- » No General Ledger impact
- » Validates ACCS at the point of entry
- » Does not subtract the commitment amount from the Funds Balance Table

# ***Commitments vs. Funds Reservation Funds Control***

## ◆ **Commitment Accounting**

- **Enforces Funds Control at time of commitment**
- **Imposes new planning in allotment requests**
- **Checks funds availability at time of commitment and again at time of obligation**
- **Unliquidated commitments expire at Fiscal Year End – need business rules on how to deal with these**

## ◆ **Funds Reservation**

- **Allows flexibility to record reservations even though funds haven't been allotted**
- **Check funds availability at time of *obligation***

# ***Commitments vs. Funds Reservation Reports***

## ◆ **Commitment Accounting**

- **Existing Reports and Discoverer queries will enable users to track commitments**

## ◆ **Funds Reservation**

- **Developing new DW reports to reflect funds reservation.**
- **New Reports will be able to give current balance of reservations, but cannot give status as of a past date**
- **Users will need to be trained to interpret the new funds reservation reports**

# *Capturing Reservations in CFS*



- ◆ CFS provides a screen, FM030, for the entry of Funds Reservation requisitions
- ◆ Funds Reservations entered in the FM030 need to be liquidated – either by being converted to an undelivered order by Finance or being canceled in CFS by the LO/FMC user
- ◆ Potential scenarios for using reservations:
  - Obligated documents
  - C\*STARS and other future interfaces
  - ‘Place holder’ reservations

# *Obligated Documents*

- ◆ Obligated documents include Purchase Orders, Contracts, Interagency Agreements, and Grants
- ◆ Sample process for a Purchase Order or Contract requisition:
  - FMC would enter requisition on FM030
  - FMC would include printout of requisition in package sent to obligating office, e.g. Procurement
  - Obligating office would need to include requisition printout with the package sent to the servicing Finance Office
  - At data entry point, the Finance Office technician would need to pull the requisition into the FM040 screen when creating the obligation.
  - FM040 screen would liquidate the requisition

# *Obligated Documents - Grants*



## ✦ Sample process for a Grant Requisition:

- FMC would enter requisition on FM030
- FMC would then enter the requisition in Grants On Line replacing the Grants On Line generated requisition number with the associated CBS requisition number
- At data entry point, GMD would need to pull the requisition into the FM041 screen when creating the obligation.
- FM040/FM041 screen would liquidate the requisition



# *Obligated Documents – C\*STARS/ORSI And Other Future Interfaces*



- ◆ The Obligation Requisition Standard Interface (ORSI) being developed for C\*STARS will support the creation of requisitions. The ORSI transmits requisition and award data from C-STARS into CFS. Its scheduled “Go-Live” Date is October 2006.
- ◆ Sample process for a purchase order/contract requisition when ORSI is operational:
  - FMC would enter requisition in the C.Request module of C\*STARS
  - ORSI interface would transmit requisition data into CFS
  - Acquisition Office would create obligation/award document in C\*STARS using the requisition as the source
  - ORSI interface would transmit award data into CFS, liquidate the associated requisition and create an obligation (UDO) in CFS
- ◆ Other interfaces, such as Grants On-Line and e-Travel could be set up to work with the ORSI in a similar fashion

# ***Obligated Documents – Interagency Agreements***



- ◆ **Sample process for an Interagency Agreement Requisition**
  - **FMC would enter requisition on FM030**
  - **FMC would include printout of requisition along with any other supporting documentation to their servicing Finance Office**
  - **The Finance Office will pull the requisition details into the FM040 Purchase Order Transaction screen to liquidate the requisition and create the obligation (UDO) in CFS**

# ***‘Place Holder’ Documents***



- **FMC enters FM030 for miscellaneous no match items at their discretion – such as Labor, Bankcard, Travel, etc**
- **FMC will monitor and reverse reservation transaction when the expense is charged**
- **No impact on Finance or AGO**

# ***Funds Reservation Next Steps***

## ◆ **Next Steps – March - July 2006**

- **CBS – Develop Additional Funds Reservation DW/Discoverer Reports (Mar-May 2006)**
- **Pilot LO's – Begin entering Funds Reservations in CFS (April 2006)**
- **Funds Reservation Project Team (May – July 2006)**
  - » **Evaluate Pilot**
  - » **Decide on Next Steps**

**Expand Funds Reservation to all Line Offices/FMCs?**

**Develop Plan for moving to full Commitment Accounting**